

Education Cabinet

Kentucky's jobless rate increases to 6.7 percent in July

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Editor's Note: Preliminary July and revised June labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate for July 2008 rose to 6.7 percent from June 2008's revised 6.3 percent, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. July 2007's jobless rate was 5.5 percent.

The U.S. seasonally adjusted jobless rate rose to 5.7 percent from 5.5 percent in June 2008, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

"The Kentucky economy, grappling with the fallout from the housing crisis, tighter credit, and skyrocketing food and energy prices, suffered an increase in its unemployment rate. This reflects the continuing difficulty teenagers and young workers encounter as they search for a job that matches their skills," said Justine Detzel, OET chief labor market analyst.

Six of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported employment increases in July 2008, while five decreased, according to OET. An increase of 11,300 jobs in July 2008 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,887,100. Since July 2007, Kentucky's nonfarm employment has climbed by 17,800.

According to the seasonally adjusted employment data, the manufacturing sector gained 4,200 jobs in July 2008. Compared to July 2007, jobs in the sector were down by 4,200 in July 2008.

"The manufacturing sector rebounded in July from a 4,200 job loss in June. This marks the third time this year manufacturing employment has risen. We've seen a lot of fluctuation in the manufacturing sector this year. The durable goods subsector accounted for the job gains in July. This employment increase reflects employees at a major manufacturer returning to work after a layoff and expansions at two different manufacturers," Detzel said.

“Since the start of 2008, manufacturing employment has increased by 1,400 professionals. The durable goods subsector added 1,300 positions, while the nondurable goods subsector gained 100 jobs.”

The government sector, which includes public education, public administration agencies, and state-owned hospitals, added 4,100 positions in July 2008. Since July 2007, this sector has risen by 11,700 jobs.

Kentucky’s leisure and hospitality sector reported an employment gain of 2,400 jobs in July 2008. Since July 2007, employment in the sector has increased by 3,600 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations, and food services and drinking places industries.

“Accommodation and food services enterprises accounted for the lion’s share of the employment gains in the leisure and hospitality sector in July 2008, reflecting the opening of two eateries,” Detzel said.

The number of jobs in the professional and business services sector rose by 1,400 in July 2008. This area had 700 more employees in July 2008 than in July 2007. The professional and business services sector includes professional, scientific and technical services, management of companies, and administrative and support management, including temporary help agencies.

Kentucky’s trade, transportation and utilities sector grew by 1,100 jobs in July 2008. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and it is the largest sector in Kentucky with 392,800 employees. Since July 2007, the number of jobs in this sector has jumped by 6,400.

“All industries in the trade, transportation and utilities sector reported year-over-year job growth. Since the start of 2008, the sector’s employment has risen by 2,900 professionals, with retail trade businesses gaining 5,100 workers,” Detzel said.

The educational and health services sector added 400 jobs in July 2008. Since last July, this segment has lost 500 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

The state’s other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, decreased by 900 jobs in July 2008. This sector had 1,100 fewer jobs in July 2008 than in July 2007.

The construction sector recorded 700 fewer positions in July 2008. “This is the first decrease in employment since March 2008, which is reflective of weakness in construction of buildings,” said Detzel.

Since July 2007, employment in the construction sector has increased by 2,100 positions.

The number of jobs in the financial activities sector decreased by 300 in July 2008. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has lost 400 positions over the past 12 months.

“Over the last year, real estate, and rental and leasing businesses lost 300 professionals, which is indicative of weaknesses in the housing market and the credit crunch. Tighter credit and a slowdown in the housing market crimp mortgage and home-equity loan applications,” Detzel said.

Between June 2008 and July 2008, the number of positions in the natural resources and mining sector fell by 300 jobs. The sector was at the same employment in July 2007 and July 2008.

The information sector dropped by 100 jobs in July 2008. This segment, which includes firms involved in publishing, Internet activities, and broadcasting and news syndication, has lost 500 positions since July 2007.

The U.S. Bureau of Labor Statistics’ monthly estimate of the number of employed Kentuckians for July 2008 was 1,899,857 on a seasonally adjusted basis. This figure is down 13,525 from the 1,913,382 employed in June 2008, and down 32,252 from the 1,932,109 employed in July 2007.

The monthly estimate of the number of unemployed Kentuckians for July 2008 was 137,397, up 8,951 from the 128,446 Kentuckians unemployed in June 2008, and up 25,648 from the 111,749 unemployed in July 2007.

The monthly estimate of the number of Kentuckians in the civilian labor force for July 2008 was 2,037,254. This figure is down 4,574 from the 2,041,828 recorded in June 2008, and down 6,604 from the 2,043,858 recorded for July 2007.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky’s statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeapp.htm>.